



State of Washington
PUBLIC DISCLOSURE COMMISSION

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9:30 a.m.
May 31, 2006

MINUTES – SPECIAL MEETING

Evergreen Plaza Bldg. Room 206
711 Capitol Way South
Olympia, Washington

COMMISSION MEMBERS PRESENT

Earl Tilly, Chair
Jane Noland, Vice Chair
Bill Brumsickle, Secretary
Michael Connelly, Member
Ken Schellberg, Member

STAFF PRESENT

Vicki Rippie, Executive Director
Doug Ellis, Assistant Director
Michael Smith, Chief Technology Officer
Nancy Krier, Sr. Asst. Attorney General
Linda Dalton, Sr. Asst. Attorney General
Chip Beatty, Secretary

The special meeting of the Public Disclosure Commission was called to order by Commission Chair Earl Tilly at 9:30 a.m. in the Evergreen Plaza Building, Room 206, Olympia, Washington.

Commissioner Comments

Commissioner Schellberg noted that he recently attended an Online Reporting of Campaign Activity (ORCA) training class held in Edmonds. He remarked that the trainer, Sally Parker, did a very good job and the session was well attended.

Commissioner Tilly reminded the Commission that it is time for the annual review of the Executive Director. Commissioners Brumsickle and Schellberg volunteered to compile evaluation materials for the Commission to review at a future meeting.

Citizen Comments/Concerns

No citizen comments or concerns were expressed.

Minutes

Motion 06-106

Moved by Commissioner Brumsickle, seconded by Commissioner Schellberg:

The Commission adopts the minutes of March 22-23, 2006, April 7, 2006, and April 27, 2006, as written.

The motion passed unanimously.

Election of Officers

Motion 06-107

Moved by Commissioner Connelly, seconded by Commissioner Tilly:

The Commission elects Jane Noland as Chair, Bill Brumsickle as Vice Chair and Ken Schellberg as Secretary of the Public Disclosure Commission effective July 1, 2006

The motion passed unanimously.

Advisory Matters

Harmonizing Interpretations 01-03 and 04-02* with Chapter 215, Laws of 2006 (*Guidelines for School Districts in Election Campaigns and Guidelines for Local Government Agencies in Election Campaigns)*

Doug Ellis outlined legislative changes to RCW 42.17.130 to allow special purpose districts to support or oppose ballot measures consistent with RCW 42.17.130(1) and recommended updating PDC Interpretations 01-03 and 04-02 to be consistent with the statutory change.

Motion 06-108

Moved by Commissioner Noland, seconded by Commissioner Connelly:

The Commission adopts the revisions to Interpretations 01-03 and 04-02 as proposed, effective June 7, 2006.

The motion passed unanimously.

Revised Reporting Requirements for Out-of-State Committees

Vicki Rippie briefly discussed recent legislative changes relating to RCW 42.17.093, reporting by out-of-state political committees. The changes are effective June 7, 2006, and re-establish in-state reporting by out-of state federal committees.

Ms. Rippie recommended that the Commission agree that "out-of-state political committee" means a political committee (a) that meets the criteria established by RCW 42.17.093 and (b) maintains its office or headquarters in another state or the District of Columbia or, (c) if there is no such office or headquarters, whose treasurer resides in another state or the District of Columbia.

Motion 06-109

Moved by Commissioner Connelly, seconded by Commissioner Brumsickle:

The Commission adopts the staff recommendation as presented.

The motion passed unanimously.

Chair Tilly suggested that Senator Don Benton, the sponsor of the amendment revising the out-of-state political committee reporting provision, be invited to the June meeting to discuss possible future revisions of the provision.

Rule Making

Possible adoption of emergency rules implementing Chapter 348, Laws of 2006 (3rd SHB 1226)

Senior AAG Nancy Krier briefed the Commission on procedures for emergency rules.

Doug Ellis and Vicki Rippie outlined staff requests to adopt the following rules on an emergency basis:

- New WAC 390-05-522 Place of Business – Definition
- Amend WAC 390-16-050 Forms for contributions and expenditures by out-of-state political committees
- New WAC 390-05-527 Definition – Spent

Motion 06-110

Moved by Commissioner Connelly, seconded by Commissioner Schellberg:

The Commission adopts WAC 390-25-522 Place of Business – Definition, on an emergency basis effective June 7, 2006.

The motion passed unanimously.

Motion 06-111

Moved by Commissioner Noland, seconded by Commissioner Brumsickle:

The Commission adopts, on an emergency basis effective June 7, 2006, WAC 390-16-050 Forms for contributions and expenditures by out-of-state political committees.

The motion passed unanimously.

Motion 06-112

Moved by Commissioner Connelly, seconded by Commissioner Noland:

The Commission adopts WAC 390-05-527 Definition – Spent, on an emergency basis effective immediately.

Dick Stephens of the Groen for Justice campaign commented that the definition of spent places an undue hardship on the campaign and treasurer. Mr. Stephens stated that the system to review past contributions as they apply to the new limits is too complex. He also said that the definition of spent should be based solely on when the bill is paid not when the goods and services are received.

Elliot Swaney of the Building Industry Association of Washington stated that he is concerned about how this proposed rule potentially applies to campaign contributions received prior to the limit in place 21 days before an election. He said that interpretation seems to conflict with the current definition being discussed.

The motion passed unanimously.

Commissioner Connelly stated that one purpose of the Commission is to interpret the statute consistent with its intent and use rules to implement that interpretation.

Commissioner Noland commented that without a definition of “spent” that includes receipt of the goods or services before June 7, the new contribution limits would be ineffectual for this year’s election. Had that been the Legislature’s intent, it would have included a post-election effective date.

Enforcement

Hearing

Mac Setter, Case #06-297

Phil Stutzman summarized the case against Mac Setter for alleged violations of RCW 42.17.080 and RCW 42.17.090 by failing to timely file C-3 reports of contributions received, and by failing to timely file C-4 summary reports of contributions and expenditures for his 2004 campaign for Superior Court Judge in Whatcom County.

Mac Setter stated that as a judicial candidate he attempted to distance himself from knowledge of who contributed to his campaign. He said that distancing himself from the campaign involved a certain amount of risk. He took full responsibility for the late reports. He stated that in the future he may review edited portions of the reports and have the entire report reviewed by his campaign manager.

Motion 06-113

Moved by Commissioner Connelly, seconded by Commissioner Schellberg:

In PDC Case #06-297, Mac Setter, the Commission accepts the amended Stipulation of Facts, Violations and Penalty of \$2500 with \$500 suspended pending no further violations for four years from the date of the order.

The motion passed unanimously.

Commissioner Noland requested staff to schedule a discussion of ways to notify candidates of possible missing reports.

Reviews

League of Women Voters, Case #06-345

Kurt Young reported that a brief enforcement hearing was held on April 27, 2006, in which the League of Women Voters was found in violation of RCW 42.17.180 for failing to timely file the annual Lobbyist Employer Report (PDC form L-3) and assessed a penalty of \$150.

There was no motion to review this matter.

Washington Council of Trout Unlimited, Case #06-352

Kurt Young stated that a brief enforcement hearing was held on April 27, 2006, in which the Washington Council of Trout Unlimited was found in violation of RCW 42.17.180 for failing to timely file the annual Lobbyist Employer Report (PDC form L-3) and assessed a penalty of \$150.

Mr. Young informed the Commission that in September of 2005 the national organization of Trout Unlimited temporarily suspended the charter of the state chapter of Trout Unlimited. The national organization completed the missing L-3, a Statement of Understanding and included the \$100 penalty. Staff recommended accepting the Statement of Understanding.

Motion 06-114

Moved by Commissioner Connelly, seconded by Commissioner Schellberg:

The Commission vacates the order in PDC Case #06-352, Washington Council of Trout Unlimited, and accepts the Statement of Understanding.

The motion passed unanimously.

Washington Farm Forestry Association, Case #06-373

Kurt Young reported that a brief enforcement hearing was held on April 27, 2006, in which the Washington Farm Forestry Association was found in violation of RCW 42.17.180 for failing to timely file the annual Lobbyist Employer Report (PDC form L-3) and assessed a penalty of \$150.

There was no motion to review this matter.

Reporting Modifications

Renewals (no change)

The Commission considered the requests for renewals with no change in masse.

Commissioner Connelly stated that Diana Wilhite is the mayor for the city for which he works. He said since this is a request for renewal with no change, he will not be recusing himself.

Motion 06-115

Moved by Commissioner Connelly, seconded by Commissioner Schellberg:

The Commission grants Kenneth Alhadeff, Bruce Allen, Richard Baldwin, Jeffrey Brotman, Rueven Carlyle, Bruce Dammeier, Richard Hartman, Leslie Jones, Richard Jones, James Rogers, Mark Thompson, Nancy Whitten and Diana Wilhite partial reporting modifications as requested.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

Renewal (with change)

*Margaret Stanley, Member, Public
Employees Benefits
Board/Healthcare Authority*

Kurt Young reported that Ms. Stanley requests a modification with change. She resigned her position with Regents BlueShield in 2004. When the previous modification was granted, she was a non-voting member of the PEBB and has since become a voting member.

Motion 06-116

Moved by Commissioner Noland, seconded by Commissioner Brumsickle:

The Commission grants Margaret Stanley a partial reporting modifications as requested.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

Staff Reports

Executive Director

Vicki Rippie summarized the upcoming Commission meeting schedule for June and July.

Assistant Director

Doug Ellis stated that there is a brief enforcement hearing scheduled for June 14, 2006.

Chief Technology Officer

Michael Smith reported the online Electioneering Communication filing project is progressing as planned for a July completion date.

Executive Session

The Commission went into executive session at 11:47 a.m. to discuss pending litigation with legal counsel.

Public Session

The Commission returned to public session at 11:57 a.m.

Adjournment

Chair Tilly adjourned the meeting at 11:58 a.m. The next meeting is scheduled for Thursday, June 29, 2006.

Approved by the Commission 6/29/06